

DD/S 68-3320

01 JUL 1968

**MEMORANDUM FOR: Deputy Director for Intelligence  
Deputy Director for Plans  
Deputy Director for Science & Technology  
General Counsel  
Inspector General**

**The attached item will be discussed at the  
Deputies' meeting Wednesday, 3 July, at 3 p.m. in the Director's  
Conference Room.**

**SIGNED R. L. Bannerman**

**R. L. Bannerman  
Deputy Director  
for Support**

**Att: "Accelerating Separations to  
Reduce Agency Manpower  
Problems" - DD/S 68-2954**

**cc: ExDir-Compt  
D/Fers**

O-DD/S:maq (1 Jul 68)

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DD / S  
FILE *Personnel* 17

Executive Director-Comptroller  
7E-12 Hqs.

Deputy Director for Support  
7D-18 Hqs.

Attached is an outline of information and options for accelerating separations in the Agency together with a chart outline. I propose that  brief the Deputies' meeting on this outline with emphasis on the possible retirement incentives. If there is agreement on any of these incentives, we can then proceed with full staffing papers. We are trying to present a "bag" of options by which separations can be encouraged, recognizing that no one option serves all employee needs. If you concur on this outline, I will forward this to the Deputies' group for their consideration and to be presented at a time you designate.

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*RLB*

R. L. Bannerman DD/S 7D-18 Hqs. 24 JUN 1968  
DD/S:RLB:es (24 June 68)  
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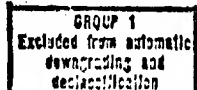
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DD/S 68-2954: "Accelerating Separations to Reduce Agency Manpower Problems"

ACCELERATING SEPARATIONS TO REDUCE AGENCY MANPOWER PROBLEMS

1. Early Retirement Options (Taking age 60 as mandatory retirement age)
  - a. CIA System: Voluntary retirement at age 50 with 20 years of federal, including 10 years of Agency and 5 years of qualifying, service. Involuntary retirement based on 50-20-10-5 or at any age with 25 years of federal, including 10 years' Agency and 5 years' qualifying, service. DCI approval required.
  - b. Civil Service System: Optional retirement on employee's application at age 55 with 30 years of service. Discontinued service retirement if employee is involuntarily separated (or resigns in lieu thereof) at age 50 with 20 years of federal service or at any age with 25 years. Earned annuity reduced two percent per year for each year under age 55.
2. Possible Retirement Incentives
  - a. Trial Retirement guaranteeing reemployment within one year to a member of either retirement system who elects an early retirement option EXCEPT discontinued service under Civil Service. A staff paper on this proposal can be readied at an early date.
  - b. Compensated Reserve Program providing for one to three years of paid civilian reserve status for resignees or retirees willing to commit themselves to serve upon call of the Agency. A staff paper has been written on this proposal but requires modification to overcome OGC reservations.
  - c. Deferred Compensation Program to provide compensation and inducement to Civil Service retirees affected by the age 60 retirement policy to restore to them in part the benefits which would have accrued had they served in other agencies where the normal retirement age is 65 and the mandatory age is 70. A staff paper would have to be developed on this proposal.
  - d. More liberal use of the "11(c)" provision of the CIA Retirement System to embrace within the system and provide its more generous pre-60 retirement benefits to persons lacking five years of overseas service but whose careers, reviewed in retrospect some six months prior to contemplated retirement, may be considered qualifying in their totality. Maximum benefit from this proposal toward solving the Agency's manpower problems would be attained through a very carefully planned selection of individuals to be retired. A staff paper amplifying this proposal would be required.
3. Strengthening of Selection Out Process
  - a. Requirement for annual competitive evaluation of its members by each Career Service to identify those whose performance is less than effective. Staff paper exists in rough form on this topic.
  - b. Establishment of Special Employment Review Board for "maladaptive employees" to review outside of the normal involuntary separation procedures cases of employees who for various reasons are not suited for continued employment. Proposal suggested in OMS paper but would require additional development.
  - c. Severance Pay to provide "relocation allowance" for persons separated not for cause. If existing government-wide legislation cannot be adopted with proposed modifications, a staff paper justifying special Agency applications would be required.

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C-O-N-F-I-D-E-N-T-I-A-L

ACCELERATED SEPARATIONS

SELECTION PROCEDURES  
Self-identification  
Supervisory and Career Service  
evaluation  
Evaluation by Staff Offices

REVIEW PROCEDURES  
Personnel Evaluation Board  
CIA Retirement Board  
Special Employment Review Board

INCENTIVES

[More liberal use of llc]

[Deferred compensation]

[Severance pay]

[Trial retirement]  
[Paid Reserve]

<u>CIA RETIREMENT</u>		
Type	Age	Service
Mandatory	60	5
Voluntary	50	20 *
Involuntary	50	20 *
or:	-	25 *
Disability	-	5

\* Must include 10 years' Agency and 5 years' qualifying service

<u>CIVIL SERVICE RETIREMENT</u>		
Type	Age	Service
Mandatory	60	20
or:	62	5
Optional	55	30
Discontinued	50	20 *
service	or:	25 *
Disability	-	5

\* Annuity reduced 2% per year for each year under age 55

RESIGNATION  
(Separation short of retirement eligibility)

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C-O-N-F-I-D-E-N-T-I-A-L

Wednesday, 3 July 1968 - 3:00 p.m. - DCI Conf Rm

Col. White w/Deputies, IG, General Counsel,  
Messrs. Wattles and

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1. Accelerating Separations to Reduce Agency  
Manpower Problems
2. Records Management

SUBJECT: Accelerating Separations To Reduce Agency Manpower Problems

1. General

Our objective is to educate at this meeting so that we may carry away agreement in principle to staff further all of the options and incentives or so many as are agreed. We are not seeking final decisions on any of them at this time.

Our idea also is to have available a battery of possibilities which can be applied as individual circumstances warrant. We would expect that the application might be in two's and three's in number of instances, but this should not mean that a particular option should not indeed be thoroughly staffed out and appropriately available to the Agency.

2. Specific

a. Trial Retirement - DD/S anticipates that this might be more useful in the future than at present.

b. Compensated Reserve Program - The DD/S idea is that this is much more significant currently than it has been in the past in view of ceiling and hiring restrictions resulting from Congressional and BOB actions. DD/S has never contemplated this as an honorary or no work proposition. Instead, his idea is that reservists would be required to keep themselves qualified medically and security-wise and to perform a given number of days actual duty each year.

c. Deferred Compensation Program - DD/S would not be surprised if this option is knocked out by the Deputies, although he believes that it is potentially useful.

d. Use of the "11(c)" provision of CIA Retirement System - We have extra copies of the specific paper -- memo dtd 1 Jul 68 for Ex. Dir.-Compt. from D/Pers, subj: Conversions to CIA Retirement System (DD/S 68-3323) -- for distribution at the meeting.

Severance Pay - DD/S believes that this has been unfortunately confused with the DCI 701 authority. His position is that the Agency could adopt the severance pay authorized by separate law without having to give up the Director's 701 authority, because the severance pay law was not necessarily pointed to a reduction in force situation as was 701.